

**MEETING MINUTES**  
**DECEMBER 18, 2003 PREVAILING WAGE ADVISORY COMMITTEE**

**Attendees:**

1. Prevailing Wage Advisory Committee Members. Kathleen Garrity (Associated Builders and Contractors), Rick Slunaker (Associated General Contractors), Jim Justin (Association of Washington Cities), David Jones and Jeff Carpenter attending for Randy Dubigk (Department of Transportation), Roger Boatwright (Building Construction Trades Council), Peter Coates (Seattle Building Trades), Dan Taylor attending for Allan Darr (IOUE Local 302).
2. L & I Staff. Rich Ervin, Josh Swanson, Cindy Hanson, Suzanne Mager
3. Other Participants: David Johnson, Miriam Israel Moses, Bruce T. Chattin, Ron Roberts, Paul Ingham, Earl Smith, Dave O'Meara

Agenda Item	Discussion	Action	Due Date
Review and Approve Minutes from last meeting	Minutes were approved. Rich introduced Josh Swanson, newly appointed Program Manager of the Prevailing Wage Program. All congratulated Josh on his new appointment.		
Updates: <ul style="list-style-type: none"> <li>• Budget</li> <li>• Income &amp; Expense Statement</li> <li>• Legislation</li> </ul>	<i>Budget, Income &amp; Expense Statement:</i> Rich provided a 03-05 Prevailing Wage Fiscal Report (bar graph) showing Allocated Funds, Expenditures, Revenues and Fund Balance. In answer to a question, Rich explained that the Allocated Funds represent what the program is allowed to spend. Rich advised that the program has hired a CSS III who will supervise the prevailing wage unit starting 12/23/03. Also, in light of the additional \$100,000 in appropriation from last year, the program intends to use these funds to comply with the performance expectations outlined in last year's transportation legislation (Senate Bill 5248). This spending may include additional outreach, workshops, technology enhancements, etc. The program is also partnering with Industrial	Handout	

	<p>Insurance to input all intents and affidavits into the electronic system. This information will aid in ensuring greater compliance with prevailing wage and industrial insurance laws. In early February the department will be testing the Password system, which should be ready for contractor use in late February. Rich stated that the pilot project to provide computer hardware for use by contractors in the department field offices is moving forward and that the first 'Kiosk' will be placed in the department's Yakima service location. It is hopeful that the Kiosk in Yakima will be operating by the end of the fiscal year.</p> <p><i>Legislation:</i> Josh explained that the department's legislation addressing the 30% Revenue Transfer is still at the Governor office. The Governor's budget did contain four (4) FTE's for the Prevailing Wage Program; however, the program was awaiting confirmation that the 30% revenue transfer was included in the Governor's supplemental budget.</p> <p>***Update: the legislation was introduced in both the house and senate (HB 2623 SB 6571).</p> <p><i>2003 Assessment Report:</i> Josh said the Assessment Report is now complete. Josh told the committee that he and Patrick attended a hearing on 12/16/03 w/ the Legislative Transportation Committee to provide an update on the assessment. The assessment report will now be sent to Commerce and Labor Committee.</p> <p>Jeff Carpenter said that DOT may have prepared a position paper and</p>		
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	<p>if so will send a copy to the department. Jeff introduced David Jones who, along with Randy Dubigk, will be DOT's PWAC representatives. Jeff said that due to a job change he would no longer be attending or a member of the committee.</p>	<p>WSDOT informed L&amp;I that no such position paper was ever prepared.</p>	
<p>Other Business</p> <ul style="list-style-type: none"> <li>• New Industrial Statistician</li> <li>• Wage Survey Priorities</li> <li>• Wenatchee Performing Arts Decision</li> </ul>	<p><i>New Industrial Statistician:</i> Rich had previously introduced Josh Swanson as the New Program Manager of Prevailing Wage/Industrial Statistician. Josh's first day with the Program was 12/16/03. Rich explained that Josh would be splitting his time between the Prevailing Wage Program and providing support to the Specialty Compliance Services Division during the legislative session.</p> <p><i>Wage Survey Priorities:</i> Rich outlined the initial survey priorities:</p> <ul style="list-style-type: none"> <li>• Marine-Ship Building &amp; Ship Repair</li> <li>• Electrician</li> <li>• Electronic Technician</li> <li>• Telephone Line Construction</li> <li>• Tree Trimming</li> </ul> <p>Miriam Israel Moses, Rebound, stated that if a survey was conducted now for Electronic Technician that the integrity of that data would be challenged. Stating that the data will not be reflective of industry practice and that data needs to be put into place that is reflective of the wage rate prior to a</p>		

	<p>survey. There was discussion on whether the department should amend the scope of work prior to conducting a survey of this trade or amend the rate prior to survey. It was recommended that the scope be amended due to recent legislation affecting the department's electrical licensing requirements. It was suggested that the department consider using Davis Bacon rates for those trades that were not surveyed prior to the adoption of the Scope of Work WAC rules. Further, that WAC 296-127-019 (8) allows the department to utilize alternative methods in establishing wage rates.</p> <p>There was discussion on whether the committee would make a recommendation on what direction the department should take. It was requested that prior to any recommendation by the committee, the department provide the committee with a work plan outlining its survey schedule. It was agreed that the department would provide a draft work plan in three to four weeks.</p> <p><i>Wenatchee Performing Arts:</i> Rich explained that on 12/9/03 the Court of Appeals issued an order in favor of the department in this case. The issue in this case was whether construction of the Wenatchee Performing Arts Center by a private non-profit (Supports of the Center), when approximately one half of the \$6 million cost of the project was paid for by a legislative grant administered by CTED, is public work "executed at the cost of" the state and therefore subject to prevailing wages. Time remains to petition for review to State Supreme</p>	<p>Department to provide work plan in 3 to 4 weeks.</p>	
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	<p>court. If not appealed the department will pursue collection of the \$200,000.00 due in unpaid prevailing wages. Committee participants asked to be sent a copy of decision. Suzanne Mager commented that because the court focused on both the source of the funding and the character of the project in reaching its decision, it did not create a bright-line test for future cases.</p> <p>Given the decision, the department will have its first meeting w/ CTED on 12/23/03 to address questions raised by the court decision and to determine the prospective implications of the decision.</p> <p>***Update: The department was informed that a petition for review was filed with the Supreme Court on this case.</p> <p>Rich also advised the committee that the department was working with attorneys for Superior Asphalt and Concrete Company to resolve other case specific issues on a number of other projects that it needs to settle.</p>	<p>Wenatchee Performing Arts Decision sent 1/2/04</p> <p>Follow-up meeting scheduled for 1/9/04</p>	
<p>Updates:</p> <ul style="list-style-type: none"> <li>• PWIA Password System</li> <li>• Rules Review</li> <li>• Update on Certified Payroll</li> <li>• Update on PWIA</li> </ul>	<p><i>PWIA Password System:</i> As stated earlier, this system is being tested in early February, for rollout in late February.</p> <p><i>Rules Review:</i> Public Hearing on WAC 296-127-018 is planned for March/April 2004. A draft had been provided to the Committee and the department is in the processes of meeting w/ stakeholders and obtaining feedback on the draft. It was requested that a final draft be</p>		

<p>Kiosk pilot concept</p> <ul style="list-style-type: none"> <li>Upcoming Contractor workshop</li> </ul>	<p>provided the committee prior to official rule making.</p> <p><i>Job Order Contracting:</i> The department is moving forward with an expedited rule and it is anticipated that the WAC rule change will become effective April/May 2004. Josh reiterated that the WAC rule change simply incorporates the language in the statute and provided a copy of WAC 296-127-011 with the statute language included. Any comments should be received within two weeks.</p> <p><i>Certified Payroll:</i> The department is working on reducing the backlog of certified payroll requests. An additional staff person has been assigned to assist.</p> <p><i>PWIA Kiosk Pilot:</i> As stated earlier, this pilot will be taking place in the department's Yakima service location and it is anticipated the pilot will start by the end of the fiscal year.</p> <p><i>Upcoming Contractor workshop:</i> The department's Contractor workshop will be held in Tumwater on Monday, February 9<sup>th</sup>. As soon as the agenda for this workshop is finalized the committee would like to receive a copy. The committee all agreed that Monday is not the best day to hold a workshop for contractors because that is their busiest day; stating Thursday would be the best day. The committee plans to send a letter to the department recommending that further workshops for contractors not be held on Monday.</p> <p>Meeting w/ Director: Committee members again requested a status of the meeting that was to be scheduled prior to the legislative</p>	<p>The workshop is confirmed and will be held on 2/9/04. Flyer sent to members on 1/20/04.</p>	
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	<p>session with the Director, Rodger Boatwright and Rick Slunaker to discuss Budget Performance Mandates. Rich stated that the meeting is being scheduled for the third week in January. Peter Coates requested that he also be included in this meeting.</p>	<p>Meeting with Director, Rick Slunaker, Rodger Boatwright and Peter Coates was scheduled and unfortunately had to be cancelled. L&amp;I is currently in the process of trying to reschedule, which may be difficult given legislative session.</p>	
Next Meeting	<p>The next PWAC meeting will be held in Tumwater March 18, 2004, from 9:00 to 11:30 AM in Room S130.</p>		